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Considerable comment on the anticorruption drive continued during the week ending Apr. 13. However, most activity seemed aimed at completing the drive and disposing of the thousands of corruption cases. More adjudication machinery was set up and hundreds of cases settled. Heavier concentration on the "five-anti's" campaign against bigger and more corrupt private businessmen was noted, with Canton's Mayor placing the number of non-law-abiding merchants in his city at 4 percent.

However, despite a sincere desire on the part of authorities to settle all cases and close the drive, the actual accomplishment was not easy. One attempt at rapid adjudication was slowed down by 116 new accusations. Desperate merchants grasping at promises of clemency introduced hundreds of new charges. Though in conducting the five anti's drive careful consideration was given to each individual case, with stress on information forms and individual facts rather than open and noisy accusations, some businessmen did not properly fill out their forms. A tendency was noted also to criticize the methods of some tiger hunters, for instance, the "incorrect attitude" of one group which refrained from questioning wives and children. Another complaint was that clerks had been slow to understand the true situation, and therefore reluctant to cause trouble for their employers who furnished them with food, clothing, and employment. There also was difficulty in getting enthusiastic tiger hunters back into the routine of business, and in convincing businessmen that they could go on with their operations free from further molestation. Eight imprisoned merchants had been released "upon the request of local merchants" so they could "engage in production while awaiting judgment," while enthusiastic tiger-hunting cadres were urged to "use the same spirit" in promoting production.

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In summing up the drive, Peking did not seem entirely satisfied, but complained that the campaign had been "concentrated on corruption," with the result that "bureaucratic practices," "basic construction," and "production leading to waste" had been neglected. It was suggested that an "antiwaste and antibureaucracy struggle" still was needed.

Private businessmen convicted of corruption received some severe sentences, as high as 15 years of imprisonment. However, new cases of corruption among businessmen were surprisingly few. The worst indictment came from Canton's Mayor Yeh, who declared that businessmen had "placed China's national economy under foreign imperialism" through illicit exportation of "strategic wolfram, tin, antimony, rice, gold, and silver, and the smuggling in of morphine and opium." On the other hand, some important Party and Government officials were faced with serious charges. Peking reported that Ho Heng-fu, important official in the Central and South China Government whose dismissal was announced a week earlier, had robbed the Government of 700 million yuan. His arrest had been ordered by Premier Chou En-lai himself. Another important official arrested was Chou Chi-ming, Party member since 1940 and high official in the Anhwei Federation of Labor.

Frank admissions that the anticorruption drive hindered production still were heard frequently, despite apparent efforts to prove the economy actually had gained. Peking placed heavy stress on price cuts up to 30 percent in State-owned stores and trading companies, claiming they were possible because of the drive. However, Shanghai's regular market quotations failed to reflect these cuts. Though drops were noted in some items such as cigarettes, food and clothing were for the most part quoted in East China cities at the rates of several weeks ago. Reports from Foochow, which had been pointed up in these quotations as a city of high living costs, were for some reason omitted. There is reason for thinking that the price cuts in State-owned stores resulted from decreased purchases following a drop in purchasing power. Evidence for this was seen in reports buyers were turning down "overpriced goods," and in Mukden's announcement of wage increases and allowances for rent and utilities "to solve workers' housing problems."

Evidence of famine still was apparent, and the shortage of draft oxen and farming equipment was illustrated by a report from Kiangsi that a mutual aid team had solved the problem by allowing those who had equipment to farm the land, while the others "hired themselves out for cash" to finance the farming operations. Kiangsi cadres were ordered to "correct the thoughts" of farmers in some sections, as they had been deliberately allowing their oxen to die in order to collect insurance. A lack of enthusiasm among Honan farmers was admitted, and cadres were told to lead farmers in spring production "by overcoming their hesitancy." In Yunnan mutual-aid teams were unsuccessful "as a result of peasants' misunderstanding," and the need for thought correction among farmers who received land and now "refuse to help Army dependents" was revealed.

Peking spoke of Central Government concern over the "quantitative and qualitative" shortcomings of middle technical schools, which are expected to train 500,000 technical cadres in the next 5 years. One suggested solution was to stress "short-term classes and spare-time supplementary technical courses," which can scarcely be expected to improve the "quality" of the training.

A suggestion that collective farms have not proved too helpful in the Northeast, where there was an obvious effort to promote them, and where there was a drop of 5.2 percent in food production last year, was seen in a declaration that only "one or two experimental collective farms" should be set up in each province, and then only under "proper leadership" and at keypoints where the people have a "comparatively richer experience in mutual-aid work." Reports of resistance to land reform still came principally from Kiangsi and Yunnan, with some added reports of failures from Honan.

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No new charges of American germ warfare were heard. Peking had little to say on the subject, and the regional stations said practically nothing.

Chungking announced that "at the request of the Shantou Nationality Group" those tribesmen in the mountains would be moved to the Lungchuan River lowlands, but added: "They were induced to migrate after various propaganda teams had worked among the mountain people."

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Apr. 7-13, 1952

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ANTIWASTE, ANTICORRUPTION, ANTIBUREAUCRACY

Development of Drive. Chinchow stated (Apr. 10) that cultural workers in Liaosi Province promoted the anticorruption drive by a series of plays illustrating cases of corruption. More than 127,000 persons saw the plays, many of them going onto the stage to make accusations at the end of a play. Hofei reported (Apr. 12) that in Pengpu, Anhwei, the Austerity Committee recently called a rally to accuse merchants of defrauding the Government and making fake drugs, when several corrupt elements were rounded up and arrested because they refused to confess. Wuhsi said (Apr. 8) that the Wuhsien Austerity Committee called a meeting Apr. 6 to urge workers and shop clerks to promote the drive as a celebration of the third anniversary of Wuhsien's liberation. Nantung reported (Apr. 9) that the blackboard newspaper in the Nantung People's Palace of Culture was used to accuse merchants Shi Kung-yuan and Yin Tung-cheng of corruption and tax evasion, and to warn other merchants to confess if they hoped for lenient treatment.

Peking reported in numeral code (Apr. 9) that in Sian business and industrial firms were busy "formulating patriotic law-observing pacts" in connection with the five-anti's drive, especially in Chu 5, where 1,700 of the city's 1,900 firms were located. The pacts were being drawn up to fit individual cases. For example, Lo Ling-yuan of the Wanchingtang Drug Store sold fake medicines, evaded taxes, and beat up shop assistants, so his pact read that he pledged to "put his books and accounts on a sound basis, not to evade taxes, pledge not to sell fake medicines, pledge not to again beat and rail at shop assistants, and pledge to pay wages regularly." The Wuyi Dress Shop cheated on materials, so its pact pledged that "if there are surplus materials, they will be returned to the patrons."

Tsinan announced (Apr. 12) that 79 senior clerks in Tsinan private factories had aligned themselves with the working class by exposing corruption of capitalists. Hangchow reported (Apr. 12) that in the Chekiang branch of the People's Bank members of tiger-hunting teams were hesitant in influencing members of families of suspected

tigers, as they did not wish to bring women and children into the controversy, but after seeing results achieved by others they intensified their indoctrination of family members. As a result Wang Chang-hsing's wife handed over 80 ounces of gold; Hsi Chi-chou's wife handed over 18 million yuan in spite of her mutual alliance with her husband; and the teams were able to turn in 1.3 billion yuan in restitution funds.

Yangchow stated (Apr. 8) that the North Kiangsu Tax Bureau had received a letter from clerk Tao Hsiao-chen of the Hangchow cloth trade acknowledging the reward of 2.75 million yuan paid him for reporting a case of tax evasion, and contributing the money to the People's Volunteers in Korea. Nantung asserted (Apr. 13) that workers in Yutachin, Tienchang, Chinyuan, and Hsinking were highly successful in holding conferences with their employers to persuade them to confess their corruption. Wuhan said (Apr. 11) that in Canton the Austerity Committee had organized "activist elements" to promote the anticorruption drive, and that drug store clerk Mo Te-jen, who gained "wide fame" for his accusations against his employer, was among a group given membership in the Youth Corps in recognition of their efforts.

Shanghai announced (Apr. 7) that more than 300 Foochow senior clerks who had graduated from the senior clerks' training class held a rally Mar. 28 and reported 400 cases of corruption. Wuhan reported (Apr. 7) that Chang Ming-yuen and nine other hardware store clerks had issued a public letter to senior clerks calling upon them to support the anticorruption drive "by overcoming their hesitancy." Hefei complained (Apr. 11) that in the past clerks had refused to accuse their employers through loyalty, feeling that since their employers furnished the capital for the stores, and furnished their food and clothing, it was unjust to cause trouble for them. Their erroneous thinking was corrected during the anticorruption drive, they learned that the employers had grown rich by exploiting workers, and with this indoctrination senior clerks Yang Ta-kuen and Yeh Chung-chu of the general merchandise trade willingly exposed their employers, even though they were relatives. Sian said (Apr. 12) that the Northwest Austerity Committee had accused cadres of laxity in carrying out restitution work, and ordered that this phase of the work be improved by the end of April. Kunming reported (Apr. 9) that Kunming shop employees had learned that one corrupt merchant, in filling out Five-Anti's forms, listed only 10 percent of his corruption, while another affixed someone else's seal instead of his own.

Adjudication and Final Steps. Anshan announced (Apr. 11) that Ninghsia Province on Apr. 7 organized a People's Tribunal to adjudicate corruption cases. Chinchow reported (Apr. 10) that the Chinchow Government organized a People's Tribunal Apr. 5 with People's Court Chief Justice Liang Hung as presiding judge on the committee of nine. Mukden said (Apr. 9) that Northeast Government Chairman Kao Kang had stated that the Three-Anti's drive would be "basically completed" in April on all Government levels of the Northeast, and that "with the approaching end of the Three-Anti's drive negligence and complacency should be guarded against Workers should be given a popular education for class consciousness to teach them to struggle against embezzlement of Government property and take care of the property for construction of their own new Nation." Mukden said (Apr. 12) that 1,300 activist elements had emerged from the drive as leading cadres in Heilungchiang Province.

Tsinan reported (Apr. 10) that in Kuomin Mill Number 2 confessions and restitution had been made by Yang Wei-chin, Hu Tseng-wei, and Hsieh Chi-jen to gain leniency, but that Yu Cheng-cheng still refused to confess and had been given a deadline. Tsinan said (Apr. 12) that 4,500 local workers, 37 percent of the total union membership, had joined trade unions to protect themselves against exploitation by capitalists as a result of the anticorruption drive. Hangchow announced (Apr. 8) that eight imprisoned merchants had been released on bail "upon the request of local merchants," following full confessions and new accusations, so that "they might engage in production while awaiting judgment." Hangchow said (Apr. 9) that at rallies in the various chu of Hangchow workers were being "urged to use the same spirit" exhibited during the anticorruption drive "to promote the production drive."

Yangchow announced (Apr. 12) that local workers were collecting information "for the return of stolen funds and property."

Hofei announced (Apr. 11) that the local People's Tribunal met and granted lenient treatment to the following cadres and merchants following confessions and restitution of funds: Chu Chien-hua, guilty of 16 million yuan in corruption; Li Kuo-ching, 19 million; Chou Ching-jen, 15 million; Li Yu-seng, 25 million; and Mao Yung-chi, 85 million. Huainan reported (Apr. 8) that cadres in the Huainan branches of the China Food Company and the China Emporium, and in the Huainan Flour Mill, held an adjudication meeting and disposed of grafters, arresting four who had refused to confess. Huainan said (Apr. 10) that the Austerity Committee of one colliery had exempted 60 persons who grafted more than one million yuan, 7 out of 8 guilty of 10 million, and arrested one person on the spot when he refused to confess to corruption amounting to 40 million yuan. Huainan added (Apr. 11) that the Chiulung-kang Colliery Austerity Committee had reported receipt of 10 confessions, 701 items of stolen property, and 116 new accusations.

Nanchang announced (Apr. 11) that among local public offices and trading companies all corruption cases amounting to less than 10 million yuan had been "basically adjudicated." Wuhan reported (Apr. 11) that a People's Tribunal had been organized in Canton, and 10 rules for governing the anticorruption drive had been promulgated. Leniency was shown the owner of the Chinhua Pharmacy, accused of evading 300 million yuan in taxes, when he confessed and involved the owners of the Tungchang Pharmacy, who then were ordered arrested for failure to confess.

Chungking announced (Apr. 12) that People's Tribunals had been established in various areas of the Southwest, with the People's Supreme Court instructed to handle serious cases and act as a court of appeal. Kunming reported (Apr. 10) that as a result of consultative meetings between workers and capitalists many merchants had confessed to gain leniency. The Austerity Committee adjudicated 1,000 cases Mar. 26. Kunming added (Apr. 12) that 90 percent of Kunming's businessmen, 14,000, had been checked by workers and exempted from punishment. Kunming stated (Apr. 13) that in numerous meetings held by Government offices and organizations to adjudicate minor cases, cadres in charge were found to have rightist leanings, and had failed properly to punish major corrupt elements."

Peking reported in numeral code (Apr. 7) that in the Huangpu district of Shanghai the Austerity Committee found merchant Lu Chi-hsin law-abiding because he made a full confession and 64 accusations, and granted leniency to another group making 240 accusations, including the owner of the Juichenghua Shop. Li Mei-tang was exposed at once when he tried to hide part of his corruption. Peking said (Apr. 10) in numeral code that Chief Justice Mu Fu of the Chu 7 People's Tribunal of Peking had convened court and adjudicated 41 cases of merchants, granting leniency to the Wan Jung, Yung Ta, and Hsin Sheng firms upon their promise to make restitution. The Hsieh Cheng Yu yard goods shop, the Fuhsinglo Cafe, and the Current Affairs and Culture Service Society were given heavy sentences because of their failure to make full confessions. Owners of the Yungyi Dye Shop failed to confess satisfactorily, so were fined three times the amount of their bribes, 50 percent of their embezzlements, and were ordered to pay their back taxes for 1950-51. Defendants facing financial difficulties were permitted to pay back funds in installments.

Peking announced in numeral code (Apr. 9) that in the factories and mines of North China the drive had been concentrated on corruption, and added: "Bureaucratic practices in enterprise management, basic construction, and production leading to waste have not yet been seriously eliminated. Therefore, following the anti-corruption struggle, various factories, mines, and enterprises should mobilize the masses to carry out antiwaste and the antibureaucracy struggle with earnestness." Peking added (Apr. 10) that the Five-Anti's drive had demonstrated that the chairmen and secretaries of the various trade unions were involved in serious corruption and tax evasion, so "Only by relying on workers and shopkeepers can tax collection be completed successfully." In the future each tax report would have to bear the

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signatures of the manager and accountant of the shop, and would have to pass a final check by the shopkeeper of each sales counter.

CASES OF CORRUPTION

Private Businessmen. Anshan announced (Apr. 13) that the Anshan Austerity Committee had sentenced Liao Seng-chien to prison for 15 years for corruption and refusal to confess, and had sentenced Wang Chung-tao to 4 years of labor reform. Sentences were passed on 13 others, including Lo Chin-chuan and Chao Chin-hsiu, while Hsu Kuo-cheng was released from prison and granted leniency for making accusations. Chinchow stated (Apr. 9) that merchants Cheng Cheng-jen and Chen Pi-ju had been charged with corrupting workers by bribes.

Hangchow announced (Apr. 7) the arrest of merchant Cheng Chien-ying, who corrupted cadre Ma Yu-feng of the Chekiang Department of Industries to make an illegal profit of 27 million yuan on one transaction; and of merchant and counterrevolutionary Li Ying-shu, who connived with the Chekiang Transport Bureau to defraud the Government of 900 million yuan. Hangchow added (Apr. 11) that because of corruption in the leadership of the Hangchow Construction Trade Association organizing committee, the unit had been dissolved and a temporary working committee appointed to do its work. Yangchow asserted (Apr. 13) that merchant Hsu Chi-ching attempted to cover his tax defaultations, but was exposed by his senior accountant. Wuhsi reported (Apr. 8) that Huang T-lung, Wuhsien merchant, had been arrested "by popular demand" for mistreating his clerk, Yeh Liang-fa, closing his shop, and "attacking the Government when the cadres tried to reason with him." Peking announced in numeral code (Apr. 10) that vegetable merchant Chia Lun-shou had been exposed for tax evasions of 114 million yuan, while merchant's Liu Feng-ming and Meng Ta-ching underreported their business by 10 million. Hanoi claimed (Apr. 12) that 178 businessmen who had contracts with the Huainan Mining Administration cheated to the amount of 7 billion yuan; caused death to 12 miners and injuries to 1,041; and embezzled the savings of the miners.

Wuhan charged (Apr. 7) that Hsien Shu-ping obstructed the farm production program by cheating on contracts with the China Farm Implement Company. Wuhan said (Apr. 10) that Wu Hsin-ko and Ma Chiang-tung would be placed under arrest for cheating on contracts to make drills for the Chinchiang Conservancy Project, using scrap steel for 250 of the 400 tons of tools produced. Peking reported in numeral code (Apr. 12) that Canton's Mayor Yeh Chien-ying, in a speech Apr. 7 to promote the Five-Anti's drive, declared that 235 local drug dealers embezzled 100 billion yuan and sold false drugs; the grain processing trade, "which owed its revival to the Liberation," smuggled goods, embezzled funds, and cheated on Army contracts; the oil processing trade infiltrated agents into State industries to steal information to use in speculation; and foreign traders had "placed China's National economy under foreign imperialists" by illicitly exporting strategic wolfram, tin, antimony, rice, gold, and silver, and smuggling morphine and opium. Mayor Yeh placed the number of Canton non-law-abiding firms at 4 percent of the total, and commented on lenient treatment granted 100 firms, including Yungfa Pharmacy, Kuangchow Construction Company, Maofanglung Rice Mill, and Chinmei Pharmacy. On the other hand, no leniency had been shown the Hsinking, Yungta, and Hanmin Pharmacies, Changcheng Construction Company, Jenfeng Rice Mills, and Chengshan Oil Works "because of their obstructionist tactics." Mayor Yeh attacked "the rightist leanings" of small law-abiding firms that "called for conclusion of the drive."

Party and Public Officials. Peking said in numeral code (Apr. 7) that the order for the dismissal and arrest of Ho Heng-fu, briefly announced by Peking Apr. 4, had been issued by Premier Chou En-lai on the basis of charges that Ho embezzled Government property, speculated, smuggled drugs and gold, refused to confess, and obstructed confessions. He was a member of the Wuhan city Government, the Central and South China Economic and Finance Committee, and the Central and South China Military and Administrative Committee, as well as owner of the Chienchiang Trading Company. At a rally held by the Wuhan Joint Chamber of Industry and Commerce

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preparatory committee, of which Ho was chairman, Wei Chin-fei, Wuhan Austerity Committee Deputy Chairman, stated that, "Leniency can be expected from the People's Government only if full confession is made." Ho refused to confess, was accused of cheating the Government out of 700 billion yuan, and his dismissal and immediate arrest demanded at the rally. Wuhan stated (Apr. 11) that various public organizations had expressed support for punishment meted out to Ho.

Hofei reported (Apr. 10) that Chou Chi-ming, chief of the labor section of the Anhwei Federation of Labor, had been expelled from the Party, dismissed from office, and arrested for exploiting his position to injure workers and engage in illegal activities. He was leader of a smuggling ring with Chang Chi-ping and Ho Hsiu-ming when they were caught with 45 ounces of opium, 52 silver dollars, and large quantities of merchandise; in 1950 he helped factory owner Liu Ping-fu suppress a strike in a factory; and in his position as Party cadre he regularly aided bandits and secret agents. Chou had been a member of the Communist Party since 1940. Hofei announced (Apr. 8) that Hua Han, Secretary General of the Anching Special District, Anhwei, had been expelled from the Party, dismissed from office, and arrested for defrauding the Government of 460,073 catties of rice and other corruption amounting to 51 million yuan; for corrupting cadres; and for getting jobs for 18 capitalists, reactionaries, and landlords, including his own brother. An article in the HUAN NAN HUAN PEI JIH PAO "attacked the bureaucracy" of the Anching Special District for not checking earlier on Hua, "who bribed cadres with money and women" to carry on corrupt activities. Hofei said (Apr. 11) that corrupt cadres Ho Ssu-cheng, Tsao Chien-chung, and Yu Chia-chin had been sentenced to prison for refusing to confess and make restitution in connection with corruption amounting to 180 million yuan. Merchant Weng Ko-cheng, who also was involved, had been ordered arrested but had not been found.

Hangchow stated (Apr. 11) that Wang Tzu-an of the Hangchiang Textile Mills had been exposed for stealing cotton from the warehouse and selling it to corrupt merchants. Hangchow reported (Apr. 12) that Chang Ching-kao of the Railway Workers Union had been sentenced to 2 years of labor reform for embezzling 9 million yuan in Union dues and Resist-America, Aid-Korea donations and refusal to confess. Huainan said (Apr. 8) that two cadres had been dismissed from the Huainan office of the China Farm Implement Company for graft.

Peking reported in numeral code (Apr. 9) that at a meeting of Party Committees and organizations of North China Mar. 26 a report on the anticorruption drive stressed the "equal needs of strong ideological leadership and the elimination of remnant bureaucratic bourgeoisie among Party cadres." Nine inspection teams were organized to check on the "democratic and efficient operation of affiliated organs of the North China Bureau."

ECONOMIC PROBLEMS

Effects of Anticorruption Drive. Tsinan asserted (Apr. 8) that workers in Tsingtao had exposed factory owners "who refused to resume work" after the drive against corruption "on the pretext they were short of materials and funds." Chin Chi-shan, owner of the Tungchang Factory, brought out cash to open the factory when pressed by the workers. Hangchow reported (Apr. 9) that "because of the emphasis on the drive" by the leadership in the Chekiang Pharmaceutical Company, "workers there erroneously turned all their attention to promoting the drive," with the result that production dropped 21.8 percent in February. Wuhsi announced (Apr. 8) that the Shanghai-Nanking Railway now was "light-loading training cars," and would accept less than carload shipments at carload rates.

Sian stated (Apr. 7) that the Lanchow office of the China Food Company saved more than one billion yuan in handling charges "and helped local industry" in Chingning Hsien, Kansu, by having its wheat milled there. Kunming admitted (Apr. 9) that the Yunnan Food Bureau had reported granaries neglected during the anticorruption drive, with the result that 300,000 catties of grain in Mienning Hsien and 620,000 catties

in Huitse Hsien had germinated and deteriorated. Kunming said (Apr. 12) that though still carrying out the anticorruption drive, the People's Bank of Hohsi "has resumed normal operations" and was issuing production loans to farmers.

Chinchow asserted (Apr. 10) that with the elimination of troublesome elements in the Chinchow Textile Mills, especially Chao Chung-fu, "who regularly pitted one group of workers against another and created havoc in the mill," efficiency had been greatly increased. Tsinan announced (Apr. 9) that by allocating workers from the drive to carry out production operations, the State-owned Weiching Chemical Factory was able to fulfill its March quota. Tsinan said (Apr. 11) that by allocating cadres to "strengthen its normal operations" the Shantung branch of the China Food Company had completed 70 percent of its sales quota by Mar. 27. According to Kaifeng (Apr. 7) in the Hsuehshang Railway Station the anticorruption drive increased the efficiency of the workers, as "one worker will do two persons' work in order to replace corrupt elements." Yangchow claimed (Apr. 13) that by eliminating corrupt elements the North Kiangsu Native Products Company increased its production efficiency. "Cadres are devoting their entire attention to business operations and doing the work of several persons." Huainan declared (Apr. 10) that in the Chiulungkang Colliery workers "revised their patriotic pasts" to insure victory on "both the tiger-hunting and production fronts." Huainan claimed (Apr. 13) that in the Tatung Hospital, "after taking care of sick people during regular hours," cadres were "using their spare time to collect information on corrupt elements."

Wuhan asserted (Apr. 7) that the Canton Tax Bureau carried on normal operations all during the anticorruption drive by promoting active cadres to responsible positions. "In spite of attempts to corrupt Lo Kwang-yao of the 2nd Bureau in the past with money and women, he remained honest and now has been promoted." Wuhan explained (Apr. 11) that in Canton one-fourth of the workers had been organized into a central force to prosecute the anticorruption drive, with another one-third "supporting them." Chungking claimed (Apr. 8) that the Wuhsin Dry Cell Factory in Luchow, Szechwan, "lengthened the life of its batteries by dismissing 20 unproductive personnel and crafty merchants," while the Tungshin and the Tatung Soap Factories cut work costs 29.3 percent in the same way. Kunming asserted (Apr. 7) that in one section of the Yunnan Trading Company "17 persons now are doing the work of 26 with greater efficiency and economy." Kunming stated (Apr. 13) that as a result of the anticorruption drive in Yunnan workers in Government offices had gained, as "leading cadres now solicit the ideas of the workers, and dare not cheat on board and wages." In the Kunming Department Store the management was attacked because of the poor food. "Now the food has been greatly improved." Other claims of positive gains from the anticorruption gains with no attempt at explanation were monitored from Shanghai, Dairan, Chinchow, Tsinan, Sian, and Wuhan.

Peking in numeral code (Apr. 9) quoted from the North China Economic Conference in Peking in saying that after the drives an effort would be made to "strengthen various kinds of economic construction work." After April, in State-operated plants and offices, two-thirds of the energy would be devoted to production and functional activities, with cadres replaced from "active elements who demonstrated their firmness and reliability" during the drives. Minor corrupt elements who were sincerely penitent would be given "appropriate work," after "undergoing reformatory education," and cadres who neglected functional activities, or "who are unwilling to do economic work," should be reminded of their mistake and criticized.

Prices, Shortages, and Trade. The Peking home service (Apr. 9) announced that the Peking branch of the China General Merchandise Company had announced a price cut averaging 5 percent on 500 items and 7.5 percent on 3,300 other items. The Tientsin branch announced a cut averaging 7.91 percent on 415 items. This price cut was credited to the accomplishments of the anticorruption drive. Simultaneous price cuts were reported by the Sian, Yinhshien, South Anhwei, and Northeast China branches of the China General Merchandise Company. Hangchow (Apr. 9) quoted the CHIEH FANG JIH PAO as saying the Shanghai stores under the jurisdiction of the Company had made cuts averaging 11 percent on 10,000 items. Hangchow added (Apr. 12) that tea

speculators in Hangchow had been eliminated by drastic price cuts and unsold stocks, while workers were turning down goods which were overpriced. Wuhan reported (Apr. 9) that the Hunan branches of the China General Merchandise Company had made price cuts of 6-30 percent on a long list of items. Wuhan explained (Apr. 13) that China General Merchandise Company contracts with private firms now were "subject to rigid inspection by factory workers." Chungking announced (Apr. 10) that the local China Department Store had cut prices 5 percent on 1,528 items; the Sikang branch had cut prices on daily necessities 15 percent; and the Kweichow branches had cut prices on 818 items. Kunming reported (Apr. 8) that the Yunnan State trading companies had reduced prices on lard, vegetable oil, and cloth.

Shanghai's price quotations (Apr. 10) for East China cities showed a drop of 10 percent in the Tsinan price of cigarettes; slight drops in coal, newsprint, and tung oil; and no changes in prices of yarn, cloth, wheat, flour, edible oil, soap, and salt. For Tsingtao there was a drop of 5 percent in cigarette prices, a slight increase in tung oil, and no changes in other commodities. Nanking showed a drop of 3-9 percent in the price of yellow beans, no changes in other commodities. Hangchow showed a drop in prices on edible oil, soap, cigarettes, and yellow beans, with no changes on other commodities. No quotations were given for Foochow.

Mukden announced (Apr. 9) that the Northeast China Government had decreed that wages be increased 10 percent in production departments, 8 percent in other departments. "To solve workers' housing problems, rent, water and power fees equivalent to 20 percent of the basic wages will be given and added to wage standards." Mukden (Apr. 10) quoted from a report by the Northeast People's Economic Planning Committee in stating that industrial establishments in the Northeast increased production 20 percent in 1951 over 1950 figures. However, though State-owned farms increased by 542, food production dropped 5.2 percent "from natural calamities and expansion of the production areas of industrial materials."

Nanchang reported (Apr. 13) that cadres in Kuangfeng Hsien, Kiangsi, had been charged with negligence in distributing relief grain, as a poor peasant who suffered from drought and lost his pig to a tiger received the same amount of relief as did a rich farmer who fed the relief grain to his pig. Wuhan announced that the Central and South China branch of the China General Merchandise Company had set up stations in Hunan to "furnish daily necessities" to workers on the highway from Chengte to the Chingchiang Conservancy Project. Chungking stated (Apr. 10) that in northern Szechwan loans of 35 million catties of food and 28.2 billion yuan had been made to farmers, and 7.6 billion yuan worth of relief distributed through chu and hsiang stations to "boost the production morale" of the peasants. Kunming said (Apr. 13) that the Southwest Military Administration had "allocated huge funds" for relief in rural areas suffering from famine, or where poor farmers were unable to finance their farming operations on newly allocated land.

Peking in numeral code (Apr. 8) quoted from a directive of the Central Government Administrative Council on development of middle school technical education which pointed out that the quality and quantity of present middle technical schools were far short of needs in carrying out the 5-year plan to train 500,000 technical cadres. Not only would new schools be needed, but various forms of technical short-term classes and spare-time supplementary technical courses would need to be opened on the farms and in the mines. Political education also would be needed, but "instructional methods should be pertinent and practical so as to be able to carry out the assignment of rapidly turning out large numbers of technical cadres."

Mukden (Apr. 12) quoted from a TUNGPEI JIH PAO editorial urging that trade be promoted through the cooperatives and the allocation of processing orders to private factories. Tsinan reported (Apr. 10) that the Shantung Trade Conference decided on the development of an interflow of native products between rural and urban areas, the purchase of native products, the placing of processing orders, the protection warehouses, the streamlining of organization, and the strengthening of transportation for successful completion of the seasonal trade plan. Hangchow stated (Apr. 12) that cloth and

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general merchandise firms were expanding business with capital that had previously been unreported, as 50 percent of the capital disappeared with the anticorruption drive, but now was returning with adjudication of corruption cases.

Forest Conservation. Chinchow reported (Apr. 12) that the Liaosi Bureau of Forestry had ordered cadres to protect the forests, as 25 fires had destroyed 166,800 trees in Chinchow, Faku, Hsingcheng, Liaochung, Chinghsi, Tiehling, and Hsinmin Hsien since Mar. 11. Shanghai announced (Apr. 7) that the East China Government had issued a directive calling for better protection of forests, as 151,000 mou of forest were destroyed in 1951. Nanchang stated (Apr. 12) that 10 li of forest were destroyed in Tehsing Hsien, Kiangsi, during March by grass fires started in wheat fields. Kunming said (Apr. 7) that the Yunnan Government had issued a directive calling for better protection against forest fire.

Chinchow announced (Apr. 8) that 31,884 hectares of land would be planted with trees in Changwu Hsien, Liaosi, under a 5-year afforestation plan. Mukden reported (Apr. 8) that the Wood Testing Bureau of the Northeast Institute of Research had made 1,000 tests on 20 kinds of wood found in the Northeast and established 700 uses for the wood in the construction industry, "largely through a study of progressive Soviet methods." The Bureau was now supervising the rehabilitation of bridges and "national defense installations" in the Northeast.

Special Projects. Chungking announced (Apr. 7) that units of the Southwest Railway Engineering Bureau had started a production emulation drive to insure completion of the Chengyu Railway by July 1. Mukden said (Apr. 8) that the LUTA JENMIN JIH PAO had called upon workers to celebrate May Day by promoting emulation production, and that workers in Anshan, Dairen and Mukden had issued statements supporting the idea. Kunming announced (Apr. 13) that bus service from Kunming to Kuitse and Tunghai was inaugurated Apr. 15 on a semiweekly basis. Sian stated (Apr. 7) that an Army battery fired more than 250 rounds of artillery shells to break the ice jam at Tengkou Hsien, Ninghsia, relieving the area of spring floods.

Wuhan reported (Apr. 11) that 230,000 peasants from Shishou and other hsien in the Chinchiang Conservancy District had been relocated and granted 10 billion yuan to cover moving expenses. Anshan announced (Apr. 1) that the water supply in certain sections of the city would be shut off for several hours in the morning and again in the afternoon. This same announcement was carried each day by Anshan through Apr. 7. Peking in a home service broadcast (Apr. 13) announced that Chinese and British delegations in Moscow had signed a trade agreement. Hangchow said (Apr. 12) that in Liuchen village, Hsuanping Hsien, Chekiang, authorities had been charged with maladministration in repair of a reservoir when they ordered the repairs contrary to the desires of the Conservancy Committee with no estimations of initial cost or resulting benefits. Work was stopped after the third day.

RURAL DEVELOPMENTS

Spring Production. Shanghai announced (Apr. 7) the launching of a series of broadcasts to promote the spring farming program through talks on production, fertilizing, drought prevention, and the promotion of rural trade. Wuhan said (Apr. 7) that the Hunan Trading Company had set up operations offices to take care of the buying of farm products and the supplying of farmers' needs. Already 1.51 billion yuan worth of native products had been handled. Wuhan stated (Apr. 8) that the Shanchou Special District, Honan, had instructed hsien Governments immediately to appoint cadres to man farm production offices to help farmers with spring production "by overcoming their hesitancy."

Foochow reported (Apr. 9) that with reports of drought conditions in Lunchi Hsien, Fukien, the drought control office had intensified irrigation construction there. Chungking stated (Apr. 10) that in eastern Szechwan 5 million persons had been mobilized for drought-prevention work, with loans of 29.4 billion yuan and 26.75 million catties of food allotted to them. Kunming said (Apr. 11) that in Iliang

Hsien, Yunnan, the China Food Company was promoting spring production by making advance loans on the horse bean crop. Foochow announced (Apr. 13) that the Minhou People's Bank had made farm loans to peasants who had previously been unable to start spring farming. Wuhan announced (Apr. 8) that in some Honan hsiang 80 percent of the peasants had been organized into mutual-aid teams. Kunming admitted (Apr. 8) that mutual aid teams had not been successfully organized in some rural areas "as a result of peasants' misunderstanding." Kunming reported (Apr. 13) that at a meeting in Iliang Hsien, Yunnan, farmers who received land through land reform "and now refuse to help Army dependents" were told to correct their thinking. Kaifeng (Apr. 7) quoted from a HONAN JIH PAC editorial calling upon the farmers to promote spring farming by carrying out the preferential treatment program. Numerous other broadcasts carried items urging spring farming activity, telling of mutual-aid teams, bank loans, fertilization programs, drought prevention, and so forth.

Special Methods and Problems. Nanchang asserted (Apr. 10) that in Paisha Hsiang, Lichuan Hsien, Kiangsi, farmers had overcome their shortages of equipment and cash by organizing mutual-aid teams. A farmer who had been allotted an ox or a plow used his equipment to farm land belonging to all members of the team. Extra men hired themselves out for cash to finance the farming. Nanchang said (Apr. 11) that five children's teams in Tiehshan Chu, Shangjao Hsien, Kiangsi, were farming 3.5 mou of wasteland, from which they had dug 1,600 catties of stumps and a large quantity of native bricks to finance the operation. Chungking announced (Apr. 12) that in Suining and Nanpu Hsien, northern Szechwan, communal awards of banners, waterwheels, and 3 million yuan, and individual awards of farm tools, were given as prizes for achievement in drought prevention. The Southwest Government called upon all Militiamen to promote the farm program by organizing mutual aid teams and combating drought.

Peking reported in numeral code (Apr. 9) that Lin Feng, Northeast China Vice Chairman, advised that "only one or two experimental collective farms for accumulating experience should be established in each province," and they should be set up "only under proper leadership and at key points where the people have a comparatively richer experience in mutual aid work and where the leadership is comparatively strong."

Nanchang reported (Apr. 7) that peasants Chang Yung-kou, Ho Fu-seng, and Ho Fu-ching of Huiyin Hsiang, Chu 1, Tschu Hsien, Kiangsi, had been allotted a good plow ox during land reform, but it was incapacitated in half a month from lack of food, injuries, and overwork. Cadres were warned to instruct peasants on the proper care of draft animals and to "correct their attitude that they need not take care of things which cost them nothing." Cadres in the China Livestock Insurance Company of Poyang Hsien, Kiangsi, were instructed to "correct the thoughts" of farmers in Chonghsi and Huangchin Hsiang who were letting their oxen die so they could demand good replacements from the Insurance Company. Village Chief Wang Te-ming of Huangchin Hsiang told the farmers that since their cattle were insured they need not care for them, with the result that nine oxen died there this winter and spring. When farmer Tso Keng-huai was told to feed and water his ox he refused to do so, as he wanted it to die so he could get a better one. Nanchang added (Apr. 11) that the action of farmer Hsu Ko-chu of Linhsi Chu, Shangjao Hsien, who worked his ox to death and then claimed indemnity, had "aroused the protests of other farmers."

Wuhan said (Apr. 8) that the Honan Party Committee, its efforts to combat rightist leanings among rural cadres, had cited the laxity among cadres of Hsuehchang as an example. The Committee ordered progressive cadres to check on the backward ones and "correct their thinking," and ordered wayward cadres to "work with the farmers or face punishment." Shanghai announced (Apr. 9) that model farmers Chen Hsiang-hsien, Chou Chen-fu, and Huang Chi-hsi, of Chekiang Province, left Hangchow late in March to study sovkhoses and kolkhozes in the USSR.

Land Reform. Wuhan announced (Apr. 8) that the Hsuehchang Special District, Honan, had called a meeting of rural cadres to correct their rightist leanings, for since the success of land reform they had become lax, officious, inclined to luxury, failed to consider the welfare of the masses, and condoned the exploitation of

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poor peasants by usurers and landowners. Nanchang complained (Apr. 10) that cadres in Lichuan Hsien, Kiangsi, had become bureaucratic and had rightist leanings "because of their failure to fully liquidate the landlords." Many had become reconciled to existence of the landlords and expressed sympathy for them. In Yiwang Hsien, Kiangsi, landlords were accused of burning property rather than handing it over to the peasants, and cases of mountain fires to hide killings continued to be reported.

Kunming asserted (Apr. 9) that peasants in Ying village, Chu 5, Paoshan Hsien, Yunnan, had been handing out concealed property of landlords one item after another since they had been relieved of the anxiety that they would be punished. Kunming stated (Apr. 12) that in Erhlang Hsiang, Chanyi Hsien, Yunnan, peasants recently met to distribute confiscated assets of landlords. Hsien Party Committees in Yunnan learned from experience that leadership would have to be strengthened and cadres indoctrinated before land reform could be properly implemented. Cadres would have to classify landlords into law-abiding and non-law-abiding groups, concentrate their attention on the latter, and call meetings of peasants to lead them in confiscation of landlords' properties.

PROPAGANDA PROGRAMS

Bacteriological Warfare. Peking announced in home service broadcasts (Apr. 9-11) that the Chinese Commission to Investigate the U.S. Crime of Germ Warfare had returned to Mukden from Pyongyang, and would continue on to Peking. Peking said (Apr. 10) that NCNA correspondents had given brief descriptions of U.S. methods in spreading germs at the Korean front. According to a Peking home service broadcast (Apr. 13) Dr. James Endicott, chairman of the Canadian Peace Congress, had completed his investigation, and had announced that the Americans had been guilty of using bacteriological warfare. Foochow reported (Apr. 8) that the FUKIEN JIH PAO had published letters from people of all circles protesting against American use of germ warfare.

Thought Reform. Peking announced in numeral code (Apr. 9) that Volume II of Mao Tse-tung's "Selected Works" had been published, and quoted similar announcements from the broadcasting stations at Shanghai, Wuhsi, and Hangchow. Wuhan announced (Apr. 10) that the book had gone on sale, and that the people were enthusiastically buying it. Similar announcements were made the same day by the radios at Sian, Nanchang, Chinchow, Foochow, Mukden, Dairen, and Yangchow, and on Apr. 11 by Hefei and Anshan. A Peking home service broadcast (Apr. 12) stated that the book was on sale in Sinkiang in Mongolian, Uighur, Kazakh, and other minority languages. Sian claimed (Apr. 13) that all nationalities were making purchases in Sian and Tihua, Chinchow reported enthusiasm among textile workers, and Anshan asserted that appearance of Volume II of Mao's "Selected Works" had stimulated interest in Volume I, with 100,000 copies of the latter sold in a short time.

Kunming announced (Apr. 10) that the Yunnan Public Safety Bureau had issued an order banishing Yugoslav missionaries Sha Shi-ming, Hsieh Li-chu, Wang Jo-wang, Pi Li-chi, Sung Keng-lung, Yeh Li-ping, and Lu Chin-yung on charges of camouflaging as medical missionaries and working with local bandits to endanger the safety of the Nation. They were given 4 days to leave Kunming and one month to get out of China. Shanghai announced (Apr. 12) that the Nanking Party Committee had called a meeting of educational workers to discuss "bourgeois thought and the leadership of working class ideology in education."

National Minorities. Peking said in numeral code (Apr. 10) that leaders in the Tibetan Autonomous Area of northern Sikang met Mar. 15 in Teko Hsien to map plans for the coming year and present citations to model units and individuals. People of the area were commended "for their help in transporting and safeguarding military supplies going into Tibet." A Peking home service broadcast reported (Apr. 11) that Premier Chou En-lai had feted 10 living Buddhas from Changtu. Chungking reported (Apr. 8) that People's Liberation Army units were reclaiming land in the Changtu area of Sikang near the Lantsang River, with Tibetan Army and civilian personnel aiding in construction of a 30-li irrigation ditch.

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Kunming reported (Apr. 8) that the Yunnan Institute of Nationalities held its opening ceremonies Apr. 6 with 500 students. Commissioner Chu Pao-chung urged the students to become good cadres of the People's Government, and ended with an attack on American bacteriological warfare. Kunming said (Apr. 12) that 12,000 members of the Shantao Tribe in Paoshan Hsien, Yunnan, celebrated the first year of operation of the Yungchuan Joint Minority Administrative Office with a Resist-America, Aid-Korea rally. Chungking announced (Apr. 7) that "at the request of the Shantou Nationality Group" arrangements had been made for their migration from the mountains in the Lungchuan, Yingchiang, and Juili areas of Yunnan to the lowlands along the Lungchuan River. "They were induced to migrate after various propaganda teams had worked among the mountain people."

Sian stated (Apr. 10) that 8,000 persons of nine nationalities attended a rally in Lanchow Apr. 6, when Islamic delegate Ma Hung-chun "attacked American imperialistic aggression and called upon the masses to protest to the United Nations and the World Peace Council" on the bacteriological warfare issue. Sian reported (Apr. 13) that Tibetans in the Tibetan Autonomous Region of Tsinghai Province met recently to map livestock production plans for 1952.

MISCELLANEOUS

Marriage Law. Hangchow reported (Apr. 7) that 1,000 workers of the Fuhua No. 1 Silk Mill attended a public trial at which Judge Sun Pei-yu sentenced Chiang Chang-yuen to one year in prison and a suspended sentence of 2 years for illegally living with Tao Ying, a woman worker, who was sentenced to 3 months in prison and a suspended sentence of one year. Chiang was ordered to return to his wife, Chin Yu-hua, and pay 140 units to Tao Ying for the care of her child.

Contagious Diseases. Tsinan reported (Apr. 8) that health teams had been rushed to the Haiyang Special District and Huang Hsien, where 481 children in 27 villages of rural Shantung were said to be stricken with measles. Nanchang announced (Apr. 12) that the Epidemic Prevention Committee of Tungku Hsien, Kiangsi, had launched a check on prevention work in an effort to "fully mobilize the masses to fight epidemics."